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MEMORANDUM

TO: Laura Gourley, Finance Director, City of Gardner

FROM: Bruce Kimmel, Client Representative

DATE: July 12, 2006

SUBJECT: Review of SJEDC Economic Impact Analysis for Proposed Intermodal Facility

Springsted, in our role as the City's independent financial advisor, has reviewed the economic impact analysis that SJEDC prepared for the Intermodal Review Committee in May 2006. We believe that given what appear to be reasonable estimates for property values, job creation, and other factors, the SJEDC projections are sound.

Property Taxes and Tax Base Diversification: This section of the report is striking, even with its use of several conservative assumptions – such as assuming no increase in Gardner's commercial-industrial tax base other than the proposed Intermodal development. Because Gardner's tax base is currently weighted so heavily toward residential property, we would expect tax base diversification to provide more revenue stability and permit the City to reduce future mill rates. Tax base growth and diversity are also key measures of creditworthiness that Moody's Investors Service examines in determining the City's credit rating.

School District Impact: I understand the School District's financial advisor has reviewed the projected impacts in this section of the report. I do not have any questions or concerns in this area.

Wages and Job Creation: This portion of the SJEDC analysis also appears reasonable.

Please contact me with any specific questions or for additional information. Thank you for the opportunity to be of assistance to the City of Gardner.